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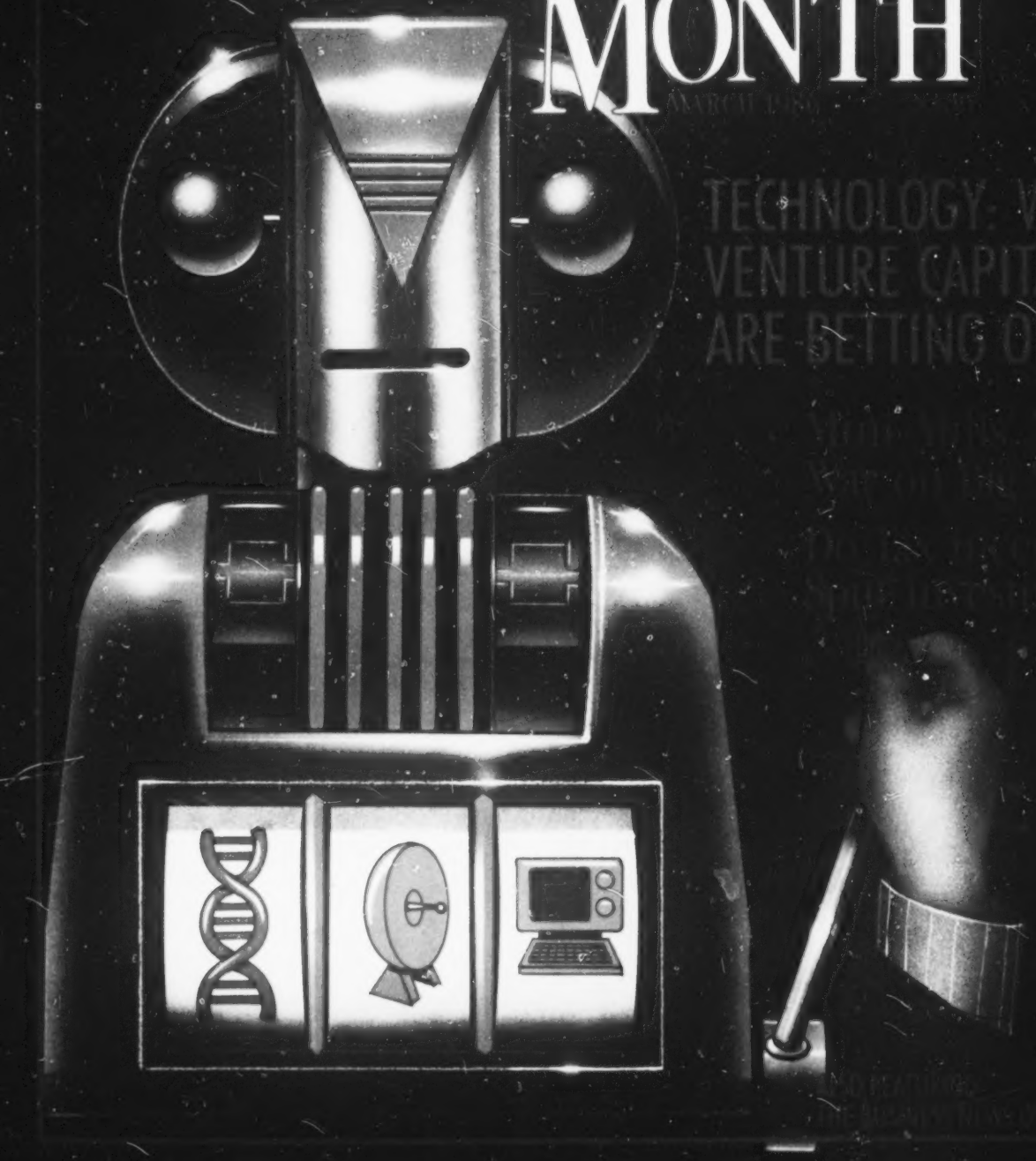
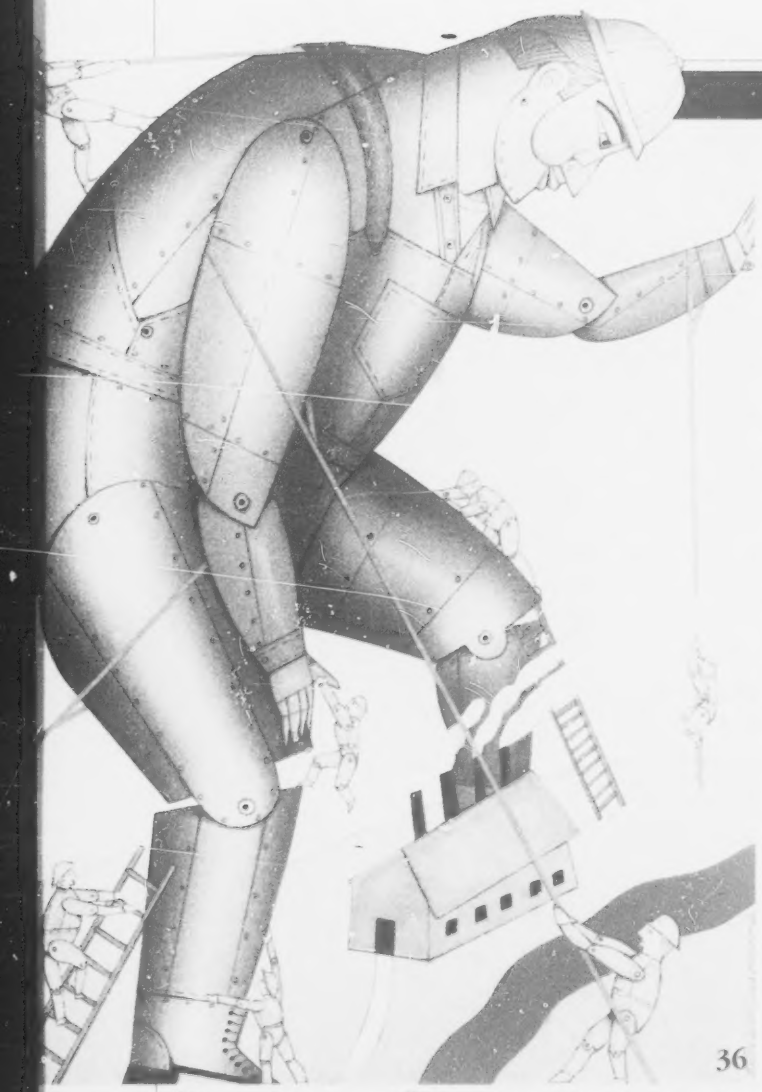
DUN'S BUSINESS MONTH

1986's Hot Senate Races

TECHNOLOGY: WHAT VENTURE CAPITALISTS ARE BETTING ON





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COVER ILLUSTRATION BY ERIC HESS

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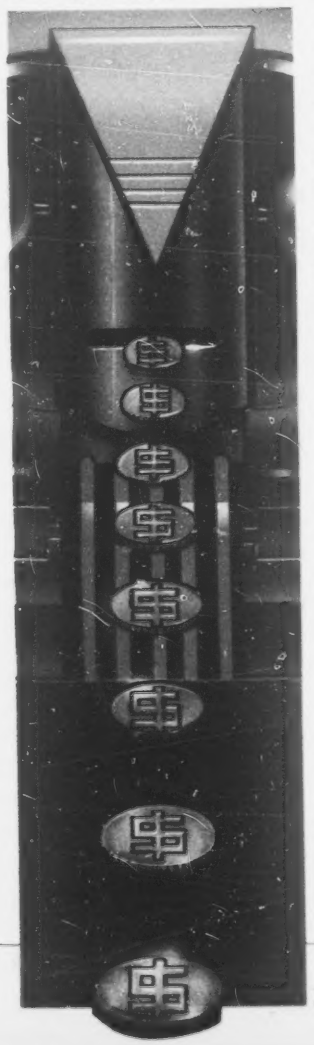

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(1/31/86) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$23.09/share	$10,043	$12,251
per cent change		+4.3%	+22.5%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$118.19	$ 9,945	$11,468
ACCUMULATED INCOME		$ 82	$ 1,140
TOTAL		$10,027	$12,608
per cent change		+.3%	+26.1%
Money Market Fund	7.15%	$10,061	$10,763
per cent change		+.6%	+7.6%
Gold (Krugerrands)	$353.10/oz.	$10,518	$11,114
per cent change		+5.2%	+11.1%
HOUSE PRICES	Recent	Month Earlier	Year Earlier
Existing House	$100,800	$100,800	$ 87,500
per cent change		0.0%	+13.2%
New House	$110,100	$111,500	$94,800
per cent change		1.3%	+13.9%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Manfra, Tordella & Brookes,Inc.; Federal Home Loan Bank Board.

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trends, says Lieber, is Mayflower Corp., the moving company. Falling mortgage rates are helping home sales and more families will be moving. Also, Mayflower operates the nation's largest school bus company, which stands to gain from rising elementary school enrollment. Lieber expects Mayflower earnings to move up to $2.40 a share this year versus $1.91 in 1985.

Among the winners from the falling dollar, he favors the Harper Group. The largest independent freight forwarder, Harper is a takeover possibility. Lieber figures it will earn $1.75 a share this year, up from $1.45 in 1985.

Banks, thrifts and other financial institutions make up more than 20% of his holdings. He is excited by the potential of the Nashville-area banks and thrifts. "The new Saturn auto plant will add 6,000 jobs to the central Tennessee economy," he says, "and interstate banking is coming in Tennessee, Indiana and Kentucky."

He likes Metropolitan Savings & Loan, Nashville's largest thrift, which recently went public and has been selling at 75% of book value. Lieber projects earnings of $3 a share for the fiscal year ending June 30, and $4 in fiscal 1987. Two of the larger banks, Third National and Commerce Union, both sell at premiums to book but have good growth records. Lieber estimates $2.95 a share in 1986 and $3.35 in 1987 for Third National, with $4 and $5.20 respectively for Commerce Union.

Another way Lieber picks up bargains: he jumps in after institutional investors panic and unload a stock. "We bought hundreds of thousands of Union Carbide shares after the Bhopal incident," Lieber says. The stock has since more than doubled, thanks to a takeover attempt and an announced restructuring.

Recently, Lieber has been buying Middle South Utilities. Denied a rate hike to help pay for huge cost overruns on a nuclear plant, MSU eliminated its dividend and the stock plunged from the mid-teens to less than 9. Lieber expects a compromise that will restore profitability and a reinstated, gradually increased dividend. —PHILIP SPRINGER